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COMMISSIONERS

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA TELEPHONE COMPANY, AN
ARIZONA CORPORATION, FOR A HEARING
TO DETERMINE THE EARNINGS OF THE
COMPANY, THE FAIR VALUE OF THE
COMPANY FOR RATEMAKING PURPOSES,
AND TO INCREASE RESIDENTIAL RATES AS
NECESSARY TO COMPENSATE FOR THE
RATE IMPACTS OF THE FCC'S USF/ICC
TRANSFORMATION ORDER

DOCKET NO. T-02063A -13-0411

PROOF OF NOTICE

Arizona Telephone Company ("Arizona Telephone") hereby files proof that it provided
the customer notice mailing required by Decision No. 74771 in the above-captioned docket.

Respectfully submitted on June 16, 2016.

Arizona Corporation Commission

DOCKETED

JUN 16 2016

DOCKETED BY

Craig A. Marks

Craig A. Marks, PLC

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Attorney for Arizona Telephone Company

Original and 13 copies **filed**
on June 16, 2016, with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Copies mailed
on June 16, 2016, to:

Maureen Scott/ Charles Hains
Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

AFFIDAVIT

COUNTY OF KNOX)
)
STATE OF TENNESSEE)

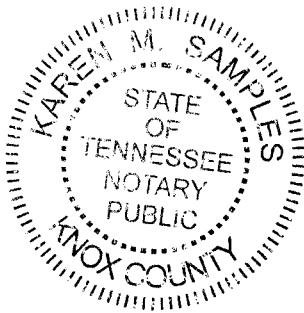
1. My name is Jeffrey S. Handley.
2. I am the Manager, State Government Affairs of TDS Telecom – parent company of Arizona Telephone Company.
3. My business address is 10025 Investment Drive, Knoxville, TN 37932, and my business phone is (865) 671-4750.
4. Decision No. 74771 in Docket No. T-02063A-13-0411, docketed on October 24, 2014 required Arizona Telephone Company to provide notice to each of its affected customers within thirty (30) days of the date of this decision.
5. The purpose of this affidavit is to document compliance with this requirement in Decision No 74771.
6. I caused to be prepared the customer notice required by Decision No. 74771. A copy of that notice is attached as Exhibit A.
7. I caused to be prepared a current electronic customer mailing list and provided a copy to TDS Telecom's Consumer Marketing Operations. On May 13, 2016, TDS Telecom's Consumer Marketing Operations caused to be mailed a copy of the customer notice to each customer on the mailing list.
8. This completes my affidavit.

Jeffrey S. Handley
Jeffrey S. Handley

Subscribed and sworn to before me this 13 day of June, 2016.

Karen M. Samples
NOTARY PUBLIC

COMMISSION EXPIRES:



Customers of Arizona Telephone Company
Notice of Rate Increase
Docket No. T-02063A-13-0411

On October 24, 2014, the Commission issued Decision No. 74771. This Decision authorized Arizona Telephone Company ("Company") to increase the Company's rates for residential local exchange service from the current tariffed rate of \$16.00 to \$18.00 effective June 1, 2016. The new \$18.00 rate is the second of three step increases authorized by the Commission pursuant to a June 10, 2014, Federal Communications Commission ("FCC") Order. The FCC Order established a residential local service rate floor of \$20.00 but provides for a phase-in of the rate floor in three steps. The final step increase will become effective June 1, 2017, and will be set at the lower of \$20.00 or the FCC's new residential local service rate floor. The FCC requires the Company to implement these residential local service rate increases or the Company will lose Federal Universal Service Funding on a dollar for dollar basis to the extent that its rates are below the FCC's rate floors. A primary goal of Federal Universal Service funding is to keep local service rates in high cost areas affordable and comparable with rates in urban areas.

If you have any questions, please contact the company at (888) 225-5837, or the Commission's Consumer Services Division at 602-542-4251 or toll free 1-800-222-7000.